

§ 116-209.77. (Repealed effective July 1, 2021) Terms of forgivable scholarship loans.

(a) Notes. – A program participant shall be eligible for a forgivable scholarship loan in the amount of up to twenty thousand dollars (\$20,000) per year for up to two years in the program, with a maximum loan amount of forty thousand dollars (\$40,000) per participant. All forgivable scholarship loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning 90 days after completion of the school leader preparation program, or 90 days after termination of the loan, whichever is earlier. The forgivable scholarship loan may be terminated upon the recipient's withdrawal from the preparation program or by the recipient's failure to meet the standards set by the nonprofit corporation and the grantee.

(b) Forgiveness Through Service. – The Authority shall forgive the total amount of a forgivable scholarship loan and any interest accrued on the loan if, within seven years after graduation from a school leader preparation program, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a school administrator at a North Carolina public school, in any combination of the following for every year of service:

- (1) If the school administrator serves one year at a school that qualifies as a high-need school under G.S. 116-209.70(b) at the time the school administrator accepts employment at the school or, if the school administrator changes employment during this period to be employed at another high-need school, then the recipient shall have fifty percent (50%) of the total amount of the loans forgiven.
- (2) If the school administrator serves one year at a school that does not qualify as a high-need school under G.S. 116-209.70(b), then the recipient shall have twenty-five percent (25%) of the total amount of the loans forgiven.

A recipient shall be eligible for a percentage of the total amount of loans forgiven under this subsection regardless of whether the recipient repays all of the recipient's forgivable scholarship loans through service.

(c) Repayment Period. – The Authority, in collaboration with the grantees, shall monitor the acceptability of service repayment agreements and compliance of the recipient with the agreement. A forgivable scholarship loan shall also be forgiven if the Authority finds it is impossible for the recipient to work for four years as a school administrator, within seven years after completion of the preparation program supported by the loan, because of the death or permanent disability of the recipient. If the recipient repays the forgivable scholarship loan by cash payments to the Authority, all indebtedness shall be repaid within 10 years after completion of the school leader preparation program supported by the loan. If the recipient completes the school leader preparation program, payment of principal and interest shall begin no later than 27 months after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the forgivable scholarship loan in cash to no more than a total of 12 years. (2019-60, ss. 1(g), (i).)